

READING FILE.

Service Date: August 2, 1984

DEPARTMENT OF PUBLIC SERVICE REGULATION BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MONTANA

IN THE MATTER Of the Application)
Of the BELLE CREEK GAS COOPERATIVE)
ASSOCIATION For Authority To In-)
crease Rates And Charges for Natural)
Gas Service.)

DOCKET NO. 84.6.35

INTERIM ORDER NO. 5079

FINDINGS OF FACT

1. On June 22, 1984, the Belle Creek Gas Cooperative Association (Application or Association) filed an application with this Commission for authorization to increase natural gas rates to members of its association on a permanent basis by approximately 19.3% which constitutes an annual revenue increase of approximately \$19,163.

2. Concurrent with its filing for a permanent increase in rates, the Company filed an application for an interim increase in rates of approximately 19.3% equalling a revenue increase of approximately \$19,163 or 100% of the proposed permanent increase.

3. The Commission's interim rules and guidelines call for "a clear showing that the petitioning utility is suffering an obvious income deficiency" before it will grant interim rate relief.

4. Examination of the data submitted by the Applicant indicates that the Association will sustain an operating loss of approximately \$4,168, under present rates, when reflecting the increased cost of purchased gas which became effective April 16, 1984.

5. The Commission finds this calculated operating loss for the Association represents an obvious income deficiency, in this instance, that deferred rate relief until a Final Order can be issued may adversely affect the utility's financial condition and further, that under its current ratemaking standards, the utility may be entitled to rate relief at the time a Final Order is issued.

6. The Commission finds that the Applicant's financial position has eroded and accordingly, finds the Applicant entitled to interim rate relief. The Applicant has requested interim rate relief in excess of that which is attributable to the increased cost of purchased gas and under its interim rules the Commission does not generally authorize a revenue increase above the amount justified. The Commission finds it acceptable to authorize interim rate relief of \$4,168 on an annual basis.

7. The Commission finds the Applicants should be allowed to increase its commodity rate by \$.25 per MCF to generate the interim revenue increase authorized ($\$4,168 \div 17,145$ MCF gas sales = \$.243).

CONCLUSIONS OF LAW

1. Belle Creek Gas Cooperative Association is a public utility furnishing natural gas service to customers in the Belle Creek, Montana area. As such, it is subject to the supervision, regulation and control of this Commission, pursuant to Section 69-3-102, MCA.

2. Section 69-3-304, MCA, provides in part, "The Commission may in its discretion, temporarily approve increases pending a hearing or final decision."

3. The Commission concludes that the granting of an interim rate increase in the manner set forth herein is just, reasonable and within the discretion granted by Section 69-3-304, MCA.

ORDER

NOW THEREFORE, THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

1. Belle Creek Gas Cooperative Association is hereby granted authority to implement, on an interim basis, increased rate for its Belle Creek, Montana customers, designed to generate additional annual revenues in the amount of \$4,168.

2. Belle Creek Gas Cooperative Association is authorized to implement an interim rate which reflects a \$.25 per MCF increase in its Commodity Charge.

3. The interim relief granted in this Order is to be effective for services rendered on and after July 23, 1984.


4. The increase granted herein is subject to rebate should the Final Order in this Docket determine a lesser increase is warranted. Such rebate will not include interest because of the non-profit status of Belle Creek Gas Cooperative Association.

DONE IN OPEN SESSION this 23rd day of July, 1984, by a vote of

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BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.


Thomas J. Schneider, Chairman

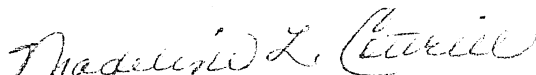

Clyde Jarvis, Commissioner


John B. Driscoll, Commissioner


Howard L. Ellis, Commissioner


Danny Oberg, Commissioner

ATTEST:


Madeline L. Cottrill
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.